

DIRECTORATE OF INTELLIGENCE

# Central Intelligence Bulletin

Secret Nº 042

7 February 1972

No. 0032/72 7 February 1972

## Central Intelligence Bulletin

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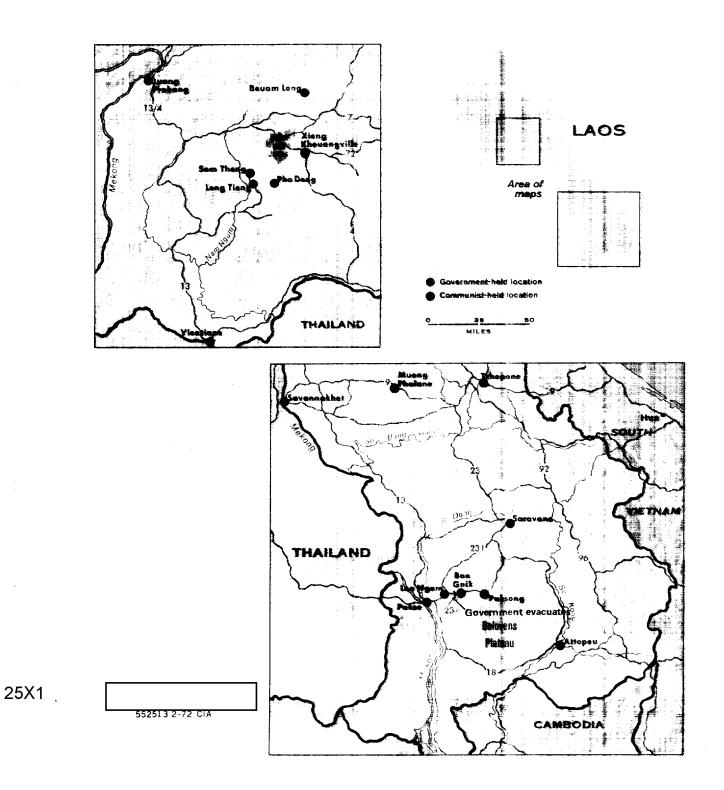
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**SECRET** 

LAOS: Significant military action over the weekend was confined to the south where government units continue to be pushed back from the western approaches to the Bolovens Plateau.

On 4 February, two government battalions abandoned their forward positions on Route 23 about two miles west of Ban Gnik. Prior to their evacuation to the southwest, the battalion commanders had reported that they were receiving extensive heavy weapons fire and were being surrounded by an unidentified Communist force.

Although the loss of these positions narrows the distance between Communist-held territory and Pakse to about 15 miles, it is doubtful that the enemy has serious designs on this key military-urban center. The Communists appear to be trying to increase their margin of protection for recently won positions on the Bolovens Plateau, and their current objective may be to push government forces on Route 23 back to the junction with Route 231 near Lao Ngam.

Enemy action in north Laos was limited to brief clashes and artillery fire on government troops in the vicinity of Long Tieng. Communist shelling was most frequent in the Sam Thong sector.

General Vang Pao is continuing to assemble a substantial guerrilla force at Pha Dong, about 12 miles east of Long Tieng. Over the past three days, at least 3,600 irregulars have been airlifted into this base, raising the total government strength there to over 5,000 men. On 5 February, approximately 1,000 of these troops began to move to the northeast toward Route 4. So far, no significant contact with enemy units has been reported.

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ICELAND: The fishing rights negotiations with London and Bonn have reached a critical stage. Meanwhile, the government is temporizing on its pledge to negotiate a withdrawal of the US-manned Icelandic Defense Force.

In a second round of talks--with the British on 13-14 January and the Germans on 31 January - 1 February--Iceland again failed to win acquiescence for extending its fishing jurisdiction to 50 miles. Reykjavik proposes to grant special rights during a phase-out period, but Bonn and London, which are coordinating their positions, are willing to accept voluntary catch limitations.

The British ambassador left Iceland for home consultations on 2 February but none of the parties has much room for maneuver. Barring an agreement by 1 March, Iceland will announce the unilateral extension of its jurisdiction by 1 September. Reykjavik is not disposed to adjudication by the International Court. Iceland lacks the means to enforce a 50-mile limit but nevertheless may try-raising the possibility of incidents similar to those in the late 1950s when Reykjavik unilaterally extended its jurisdiction to 12 miles.

Preoccupied with the fishing question, Foreign Minister Agustsson made an unusually positive public comment on 1 February that he thought the still incomplete study he is conducting on the defense issue might lead to a decision to retain the Defense Force.

Reykjavik, nevertheless, may be attempting to deprive the US of financial leverage if negotiations are joined. In the same statement, Agustsson said that Iceland, using capital "not from the US," will go ahead with a key expansion project at Keflavik airport, where most of the Defense Force is located. In answer to a parliamentary question earlier the same day, a government spokesman suggested construction could begin as early as April, but also indicated financing has yet to be secured.

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ITALY: The likelihood that early parliamentary elections will be called is increasing.

President Leone on 5 February asked Christian Democratic Chamber of Deputies chief Giulio Andreotti to try to form a new government after ex-prime minister Mariano Rumor refused to make the effort. The four parties of the center-left, which have governed Italy for the past decade, appear to have made no progress toward agreement on policies for either economic reform or an impending referendum to abrogate the country's divorce law--agreements that are prerequisites for a new government.

Although early elections would be unprecedented, they would cause the referendum to be postponed for at least a year. They may also enable the Christian Democrats to avoid the redistricting, required by the 1971 census, for the time being. The redistricting reportedly will adversely affect the party's parliamentary strength.

Andreotti, who has never headed a cabinet, may have accepted the charge even if he doubts his ability to bring the center-left parties together either in a new government or in parliamentary support for a single-party Christian Democratic government. His designation gives him politically advantageous exposure even if he fails to form a government now.

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ZAMBIA: Responding to a rash of politically motivated violence, President Kaunda has banned the opposition United Progressive Party (UPP).

In announcing the ban on 4 February, Kaunda also ordered the arrest of 123 party leaders, including Simon Kapwepwe, the party head who was once Zambia's second most powerful politician. Kaunda condemned the UPP for being "bent on violence and destruction" rather than participating in the normal political process.

Unemployed and often uncontrollable youthful supporters of both the UPP and the ruling United National Independence Party were equally responsible for the urban violence that has been taking place over the past few weeks. Kapwepwe himself was beaten up by a mob on a street in Lusaka. Nevertheless, Kaunda apparently decided--probably correctly--that the easiest way to end the violence was by making the UPP the scapegoat.

The UPP is primarily a Bemba tribal organization, although it did not receive much Bemba support during recent parliamentary by-elections. Nevertheless, Kaunda must now try to persuade Zambia's large Bemba minority that the ban is not directed toward them. His announcement played down the opposition's tribal orientation, and it stressed that the government was moving only against the party leadership and not against UPP supporters. Kaunda also announced minor cabinet changes in which loyal members of the Bemba and closely related tribes were promoted.

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#### NOTE

EGYPT: President Sadat is following his trip to the Soviet Union with a round of consultations in Yugoslavia, Syria, and Libya. A joint communiqué issued after talks with President Tito stressed the need to find a "political" solution to the Middle East stalemate and stated that this continued to be the "main preoccupation of Egypt's leadership." After a short stop in Damascus, Sadat has continued on to Libya for talks with Premier Qadhafi and possibly a summit meeting involving the presidents of Sudan and Syria. The result of Sadat's visit to Moscow and Belgrade is doubtless the primary topic of discussion, in addition to future strategy regarding the confrontation with Israel.

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